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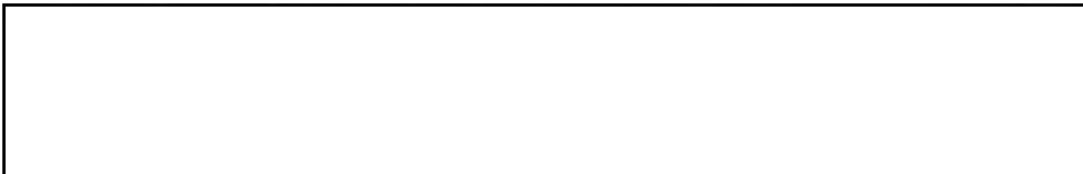
NSC BRIEFING

17 January 1956

INDONESIA

- I. Indonesia's moderate, Masjumi-led cabinet has been reduced to virtual impotence by maneuvers of its National Party and Communist opposition, abetted by President Sukarno.
- A. Whether cabinet falls shortly or survives until new parliament is seated--in March or April--largely dependent on two government parties which, like Masjumi, are Moslem - small Islamic League (PSII) and newly-important Nahdlatul Ulama (NU).
- B. These parties, apparently at Sukarno's instigation, joined opposition's criticism of government's handling of Dutch-Indo relations.
- C. Prime Minister has given in to their demands that negotiations with Dutch, began in December, be broken off.
- II. Opposition maneuvers are aimed at weakening position of Masjumi in negotiations for formation of new coalition cabinet, particularly to prevent its achieving an alliance with NU - a major party as result of September elections.

A.



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- B. National Party spokesman at 15 January rally called for cabinet's resignation.

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III. Cabinet is further weakened by disunity within Masjumi (which is actually a political federation rather than unified single party).

A. largest member organization (Muhammadiyah) is considering withdrawing and forming new federation with NU and PSII.

IV. Isolation or fragmentation of moderate Masjumi would pave way for return to National Party-NU coalition, supported by Communists--which was arrangement prevailing in cabinet of Ali Sastroamidjojo (1953 to July 1955). Such coalition has support of President Sukarno.

A. At mass rally on 15 January at which National Party, Communist Party, and PSII leaders participated, Sukarno endorsed cooperation among nationalist, Communist and Moslem elements.

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NSC BRIEFING

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17 JANUARY 1956

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INDONESIA

I. Indonesia's moderate, Masjumi-led cabinet now virtually impotent as result maneuvers by opposition National Party and Communists, abetted by President Sukarno.

A. Sukarno's preference for National Party and toleration of Communist activity are reinforced by Masjumi's relatively weak showing in Sep (Parliamentary) and Dec (Constituent) elections - - National Party got plurality in both elections, Masjumi came second, Communists polled strong fourth.

B. Whether cabinet falls soon, or survives until new parliament is seated (probably Apr '56), largely in hands two government parties which, like Masjumi, are Moslem--small Islamic League (PSII) and newly-important Nahdlatul Ulama (NU).

C. Both parties, with push from Sukarno,

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joining opposition in criticism gov't
handling Dutch-Indo relations (particu-
larly New Guinea issue).

D. Prime Minister has bent to demands that
talks with Dutch (begun in Dec '55) be
broken off.

II. Meanwhile, opposition trying to weaken
Masjumi position in negotiations over
future coalition cabinet--particularly hope
to prevent Masjumi alliance with NU--now
a major party (third place in '55 elections)

A.



B. On 17 Jan, National Party Executive
Committee called for cabinet's resigna-
tion.

III. Cabinet's shaky position being further
weakened by reported disunity within Masjumi
(actually a political federation, rather

than unified, disciplined single party)
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A.

largest Masjumi member organization
(Muhammadiyah) is considering withdraw-
ing, forming new federation with NU and
PSII.

IV. Isolation or fragmentaion of moderate

Masjumi would pave way for return to
National Party-NU coalition, supported by
Communists--arrangement prevailing under
Premier Ali (1953 to July 1955).

A. Such coalition has support of President
Sukarno.

B. At mass rally on 15 Jan, including
National Party, Communist Party, and
PSII leaders, Sukarno endorsed coopera-
tion among nationalist, Communist and
Moslem elements.

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